

Final Oversight Report on Data Center Relocation Project



*Presented to
Metropolitan King County Council
Government Accountability and Oversight Committee
by the
King County Auditor's Office
Capital Projects Oversight Program*

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Executive Summary

Project was successfully delivered.

- King County needed a new data center.
 - Existing main data center was inadequate.
 - Lease at Seattle Municipal Tower (SMT) was month-to-month and could not be renewed.
 - Servers from Chinook Building relocation were in costly, temporary space.
- FMD managed design and construction of new, state-of-the-art data center by the landlord, the Sabey Corporation, at their facility in Tukwila.
- OIRM managed relocation of half the county's servers without disruption.
- New data center opened on schedule.
- Final cost was \$19.3 million within budget.
- Majority of customers are satisfied.
- Capacity available for all county servers.

Lessons Learned and Recommendations

Final oversight report by auditor's office identified six lessons learned and two recommendations that could improve outcomes on future capital projects.

- Will highlight the lessons learned that led to the recommendations today.
- See final oversight report issued May 18, 2011 for additional information.

Auditor's office was concerned that the executive had no immediate plan to fully use the capacity in new data center.

- Brought to council staff attention.
- Result was prompt attention by the executive.
- OIRM progress briefing will follow our presentation.

Lessons Learned on Real Estate Leases

The executive should provide advance notice to council before exercising lease options involving significant potential cost, schedule, or operational impacts.

- Executive exercised early out option for SMT in 2005 before obtaining council approval for related real estate transactions and space plans.
- Council did not approve executive's space plans in advance.
- County could not relocate the data center from SMT before the new lease expiration date. Resulted in schedule urgency for this project.

The executive's process for lease transactions should be strengthened.

- County initially leased more office space at Sabey Data Center than needed, but successfully negotiated eliminating excess space.

Recommendation

The executive should evaluate the adequacy of its policies and procedures for authorizing lease acquisitions and amendments.

Lesson Learned on Staff Labor Charges

Consistent reporting of staff labor charges is recommended to provide a more accurate assessment of capital project costs.

- No policy exists on reporting labor costs when staff funded by operating budgets work on capital projects.
- Our oversight identified inconsistencies in how FMD and OIRM reported staff labor.
- \$300,000 not reflected in final reported project costs.

Recommendation

The executive should establish policies to ensure consistent budgeting and reporting of the staff labor costs on capital projects, including costs for staff funded by agency operating budgets.

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- *Office of Information Resource Management*
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